

## **Friends of the Earth Europe**

### **Panel VI –Wednesday 15-16:00**

#### **Content: Obligations of TNCs and other business enterprises**

Thank you Madam Chair.

I am speaking on behalf of Friends of the Earth Europe, SOMO, CIDSE, Brot für die Welt, IBFAN, IBFAN-GIFA and Global Policy Forum, who together made a joint submission to this intergovernmental working group. Our organizations are also members of the Treaty Alliance.

We think a new binding instrument should ensure businesses comply with human rights due diligence requirements of the UNGPs and OECD Guidelines. Building on these existing norms, the treaty should establish a duty for States to transform the voluntary corporate responsibility to respect human rights into a mandatory corporate obligation to respect human rights throughout all their operations including transnational.

A mandatory obligation to respect and remedy human rights should fix the gaps in the UNGPs while building on its achievement. The key aspects of this achievement are the human rights due diligence concept and the recognition that companies can impact on human rights in different ways.

Let me briefly elaborate. Under the UNGPs, the process of human rights due diligence (HRDD) entails assessing the actual and potential human rights impacts from its operations; integrating and acting upon the findings made; tracking responses; and communicating how the negative impacts have been addressed. Of particular relevance is the obligation for business enterprises to consult with potentially affected groups and other relevant stakeholders to identify potentially adverse human rights risk. And address adverse impacts when they occur.

The UNGPs state very clearly that companies can impact all human rights in a number of ways: not only by causing the violations, but also by contributing to it, or by being directly linked to the violations through its activities and business relationship. We see this for example in the role of financial institutions who provide financial services to companies which are engaged in landgrabbing, environmental degradation, violations of human rights and other. Or in the garment industry, where brands and retailers benefit from low production costs while workers in their supply chain face modern day slavery conditions.

Human rights due diligence is key in preventing adverse human rights impacts. However, one of the biggest gaps left by the UNGPs is the lack of effective remedy mechanisms to redress human rights violations. Therefore, in order for the treaty to fill this gap, it needs to be combined with legal liability whether civil, criminal or administrative. . Provisions on the extraterritorial scope of due diligence regulation are also needed.

We will elaborate further on corporate liability in tomorrow morning's panel session.

Madam Chair, we conclude by stressing again the importance of this week and the substantive discussions. We call on all states, including the EU, but also others whom we do not see here, to join these panel discussions and participate. These discussions will be heard and shared with NGOs, social movements and human and environmental rights defenders who are all hoping for a strong treaty for binding rules for businesses.

I thank you for your attention. Anne van Schaik